



# GRAIN TRANSPORTATION REPORT

Agricultural Marketing Service  
United States Department of Agriculture



JANUARY 30, 2001

**Changes To Farm Bill Being Discussed.** An 11-member commission, composed mostly of farmers, recently advised Congress that the ailing farm economy will require billions of dollars in Federal programs to overcome the increasingly detrimental effects of low commodity prices and increasing production costs. The panel, designated as the "Commission on 21<sup>st</sup> Century Production Agriculture," was created as part of the 1996 Farm Bill to provide an initial review of changes in production agriculture in the United States and a subsequent review of its future and the role of the Federal Government. Following its review, the commission was required to recommend, no later than January 2001, specific legislation that would "achieve the appropriate future relationship of the Federal Government with production agriculture..." The commission's report, presented to the Senate Agriculture Committee, will essentially begin this year's debate over amending the 1996 "Freedom to Farm" legislation. When it began, the law deregulating farming was largely welcomed by U.S. agriculture. However, since it lacked the economic safety net of prior farm policy, it became difficult to fully implement when global grain supplies increased and foreign economic troubles tightened U.S. markets, drastically reducing producer prices. These circumstances necessitated emergency aid packages worth \$5.9 billion in 1998, \$8.7 billion in 1999, and \$9.7 billion in 2000. "The persistence of very low commodity prices has rendered existing farm program support inadequate to address the level of distress experienced over the last few years," stated Barry Flinchbaugh, a Kansas State University economist and the commission chairman.

The commission offered several recommendations. Included would be a type of countercyclical payment known as a Supplemental Income Support program, which would provide funds to producers when overall income falls below a designated level, based on average income. This, however, it was reported, could cost as much as the most recent emergency package. The panel also recommended retaining the marketing assistance loan program, allowing producers to keep the difference between market prices and the minimum prices guaranteed by the Federal Government. The panel also generally felt that crop support rates should be adjusted to be more equitable between crops and that farmers should be allowed to exceed the current limit of \$230,000 per farm in Government payments, which include both crop subsidies and market transition payments. American Farm Bureau president and commission member, Bob Stallman, was doubtful that a new income-assistance program would be equally acceptable by farmers of different regions or growing different commodities but felt that the report was valuable, if only conceptually. "It lays out a starting point for where we want to go on agriculture policy," according to Stallman.

Despite differences within the commission on certain issues, nearly all members agreed that planting flexibility should remain a component of a new farm bill and that there should be no controls placed on production. For the latter, the panel feels that to control U.S. production would simply encourage foreign competitors to grow more. Changes in the current farm bill are important for agriculture since they would allow producers to plan their crops with relative economic certainty and avoid testing congressional fortitude to provide annual emergency funding. New U.S. Department of Agriculture Secretary, Ann Veneman, is reportedly taking the commission's recommendations "very seriously" and hopes to work with its members even after the group has been formally disbanded. In the meantime, House Agriculture Committee Chairman, Larry Combest (R-Texas), noting the fragile agricultural economy, stated that Congress would likely approve more farm aid this year but would not commit to an amount. (Reuters 1/29, AP 1/29/30, Bloomberg 1/29/30, Bridge 1/29/30, <http://wsare.usu.edu/fbill96/title1.htm>)

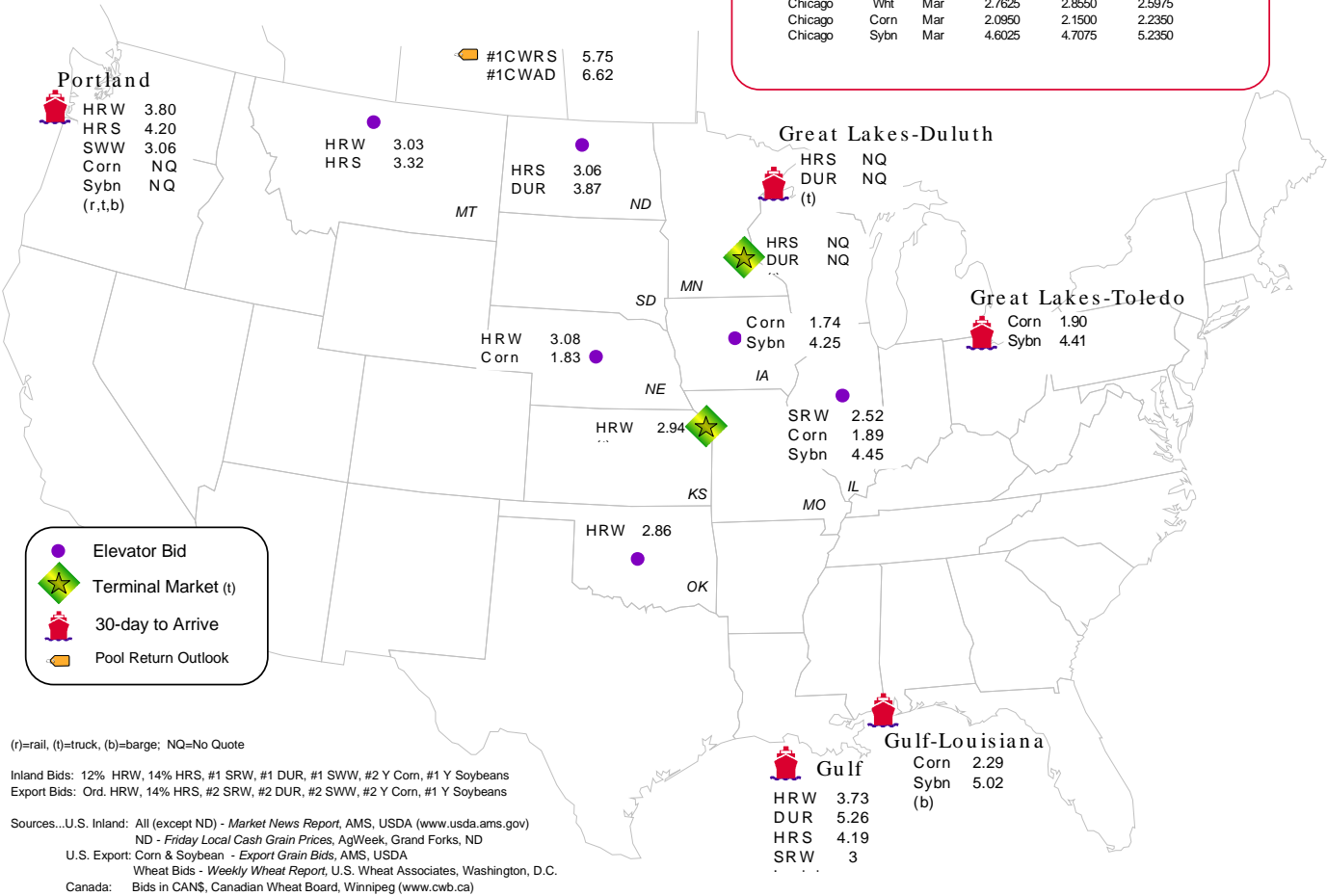
**Study Indicates Impact Of Canadian Imports.** A North Dakota State University (NDSU) study indicates that Canadian wheat imports are detrimental to the U.S. market. In a report funded by the U.S. Customs Service, NDSU professor Won Koo and researcher Jeremy Mattson show that domestic hard red spring wheat prices have fallen an average of 2.9 percent annually since 1989, connecting a higher level of imports to these lower domestic prices. North Dakota Wheat Commission marketing specialist, Leland Garth, is hopeful that the study will help to confirm that Canadian exports are hurting U.S. producers. The commission contends that the Canadian Wheat Board is selling wheat in the United States for less than it costs to grow. The study, however, does mention that other factors also influence the amount of Canadian grain sold in the United States, such as the monetary rate and the size of the U.S. market. Other studies, not necessarily in agreement with the NDSU findings, as Koo and Mattson attest, indicate no significant correlation between an import increase and price decrease. In 1998, economist Patrick Westhoff indicated to Congress that other factors, including a worldwide glut of grain, have a greater impact on U.S. producers than do Canadian imports. The Canadian Wheat Board, which controls wheat and barley exports from its prairie provinces, argues that it acts fairly and would not sell wheat in the United States if there was no demand. (AP 1/31)

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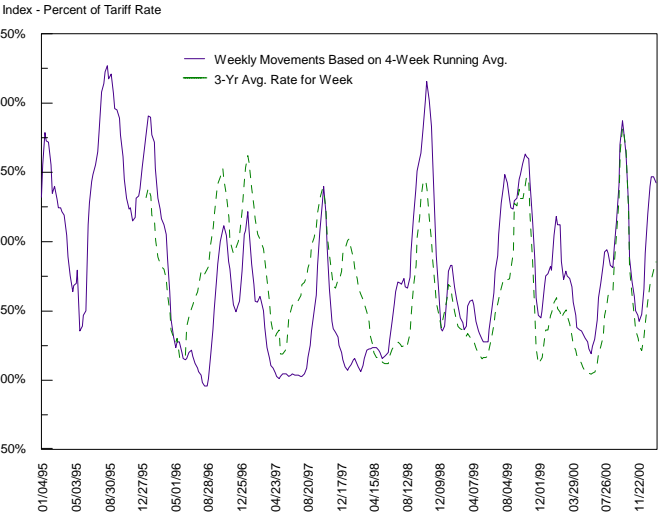
Report is prepared by Karl Hacker and Sigal Nissan, Agricultural Economists, Transportation & Marketing, Agricultural Marketing Service, USDA (202) 690-1304. Report design by Kimberly Vachal, Upper Great Plains Transportation Institute, North Dakota State University. This report can be found on the Internet at [www.ams.usda.gov/tmd/grain.htm](http://www.ams.usda.gov/tmd/grain.htm). E-mail comments to [Karl.Hacker@usda.gov](mailto:Karl.Hacker@usda.gov).

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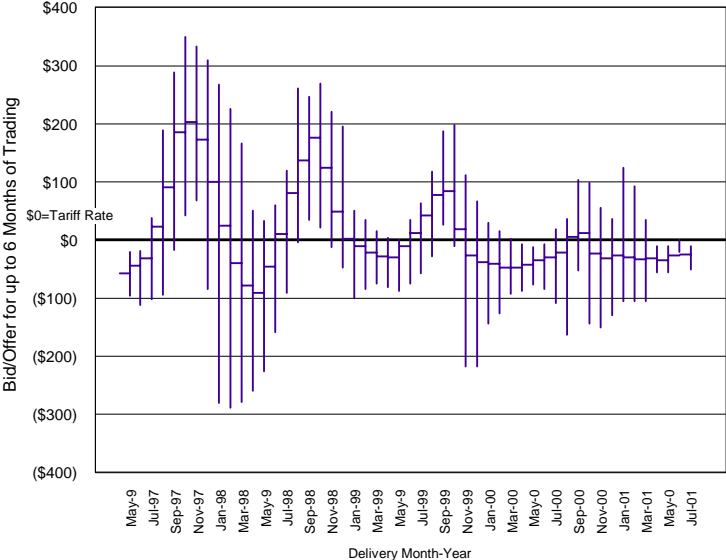
Grain Bid Summary



Spot Barge Rate - Illinois River



Secondary Rail Market Bids



**Rail Car 'Auction' Offerings**

Delivery for:	Feb-01		Apr-01	
	<u>Offered</u>	<u>% Sold</u>	<u>Offered</u>	<u>% Sold</u>
<b>BNSF-COT</b>	9,712	79%	10,857	1%
<b>UP-GCAS</b>	5,400	0%	5,400	0%

Source: Transportation & Marketing /AMS/USDA; www.bnsf.com; www.uprr.com

**Secondary Rail Car Market**

Average Premium/Discount to Tariff, \$/Car - Last Week

	<b>Delivery Period</b>			
	Feb-01	Mar-01	Apr-01	May-01
BNSF-GF	\$119	\$48	\$(2)	\$(3)
UP-Pool	\$(14)	\$(20)	\$(44)	\$(44)

Source: T&M/AMS/USDA. Data from Atwood/ConAgra., Harvest States Co-op, James B. Joiner Co., Tradewest Brokerage Co.;  
GF=Guaranteed Freight, GEEP=Guaranteed Eqpt. Exchange, Pool=Guaranteed Pool

note... bids listed are market INDICATORS only & are NOT guaranteed prices, missing value=No Bid Quoted

**Railroad Car 'Auction' Results**

Average Premium/Discount to Tariff, \$/Car - Last Auction

Delivery for:	Mar-01	Apr-01	May-01
COT/N. Grain	\$28	\$0	no bid
COT/S. Grain	\$1	\$0	no bid
GCAS/Region 2	no bid	no bid	no offer
GCAS/Region 4	no bid	no bid	no offer

Source: T&M/AMS/USDA. Data from [www.bnsf.com](http://www.bnsf.com), [www.uprr.com](http://www.uprr.com),  
(COT=Certificate of Transportation; GCAS=Grain Car Allocation System)

**Southbound Barge Freight Nominal/Cash Basis Values**

Index=Percent of Tariff, Based on 1976 Tariff Benchmark Rate

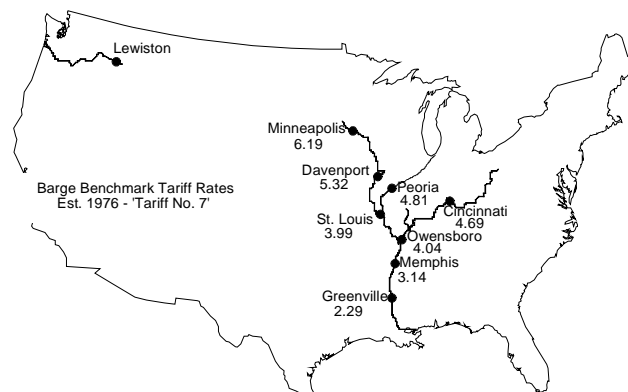
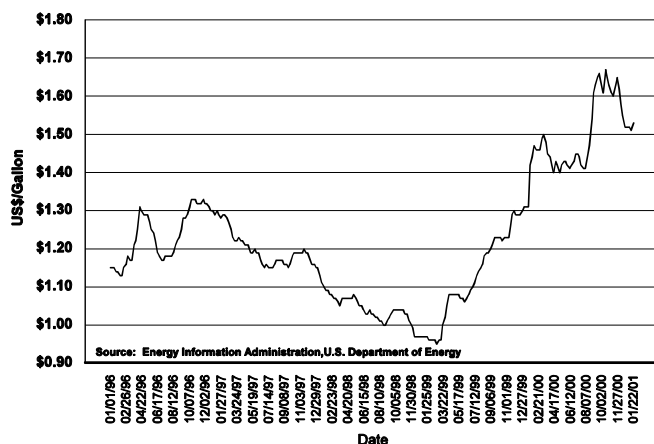
Week ended	River/Region	Contract Period	Rate	
			Futures	Cash
01/30/01	St. Louis	Mar	140	143
		May	130	133
		Jul	136	135
		Sep	178	140
		Nov	158	0
	Illinois River	Mar	160	165
		May	150	150
		Jul	159	158
		Sep	210	0
		Nov	176	0

Source: St. Louis Merchants Exchange

**Southbound Barge Freight Spot Rates**

	1/24/00	1/17/00	Feb. '00	Apr. '00
Twin Cities	0	0	0	200
Mid-Mississippi	0	0	0	176
Illinois River	240	238	197	163
St. Louis	208	186	157	135
Lower Ohio	180	198	159	142
Cairo-Memphis	171	168	147	129

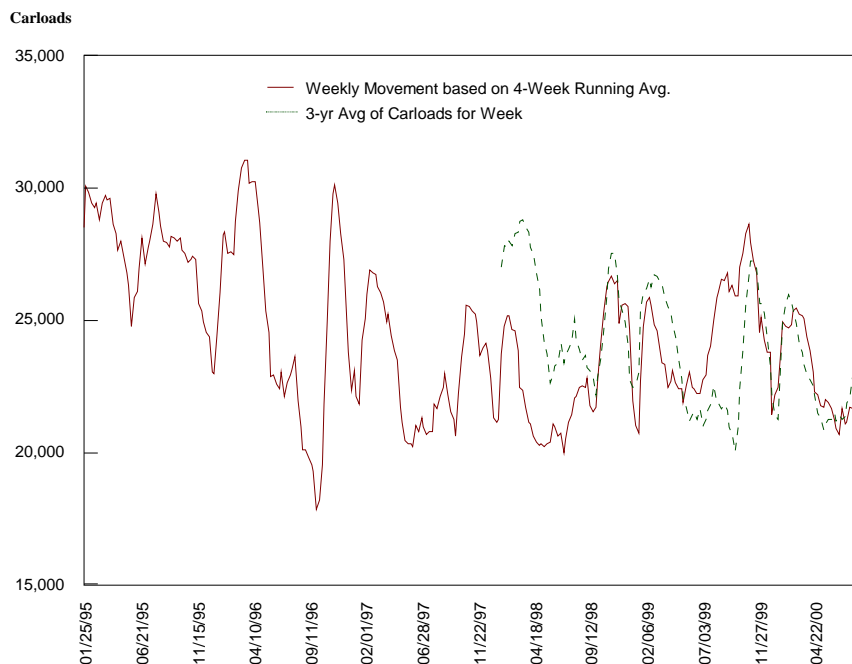
Source: Transportation & Marketing /AMS/USDA  
nq=no quote;

**Weekly Retail Diesel (Road) Prices (Including Taxes)**

## Grain Car Loadings for Class I Railroads

Class I Railroad Grain Car Loadings	
Week Ending:	Carloads
1/6/01	18,666
01/13/01	23,270
01/20/01	25,076
Year to Date - 2001	67,012
Year to Date - 2000	76,976
Total 2000	1,188,917
Total 1999	1,270,375

Source: Association of American Railroads



## Class I Rail Carrier Grain Car Bulletin

Grain Carloads Originated

Grain Carloads Originated									
			<u>East</u>			<u>West</u>		<u>Canada</u>	
	Conrail	CSXT	IC	NS	BNSF	KCS	UP	CN	CP
01/20/01	0	4,339	0	3,757	9,193	487	7,300	5,087	4,783
This Week Last Year	0	2,575	1,935	2,896	8,256	583	8,778	2,739	3,894
2001 YTD	0	9,933	0	10,003	25,766	1,300	20,010	13,853	14,187
2000 YTD	0	9,065	5,388	9,190	27,042	1,970	24,321	8,304	10,236
2000 Total	0	147,708	70,155	153,905	425,849	26,515	364,785	160,749	239,670
1999 Total	15,522	132,157	88,056	138,379	465,088	33,911	398,262	121,381	206,328

Source: Association of American Railroads

## Tariff Rail Rates for Unit Train Shipments

January 2000

Date Effective	Tariff Item	Commodity	Origin	Destination	Rate Per Car	Rate Per MT	Rate/Per Bushel*
01/08/01	45560	Wheat	Minneapolis, MN	Houston, TX	\$2,050	\$22.60	\$0.62
01/08/01	43521	Wheat	Minneapolis, MN	Portland, OR	\$3,877	\$42.74	\$1.16
01/08/01	46540	Wheat	Kansas City, MO	Houston, TX	\$1,550	\$17.09	\$0.47
01/08/01	43586	Wheat	Kansas City, MO	Portland, OR	\$4,240	\$46.74	\$1.27
01/08/01	43581	Wheat	Omaha, NE	Portland, OR	\$3,905	\$43.04	\$1.17
01/08/01	31040	Corn	Minneapolis, MN	Portland, OR	\$2,900	\$31.97	\$0.81
01/08/01	31035	Corn	Kansas City, MO	Portland, OR	\$2,700	\$29.76	\$0.76
01/08/01	31040	Corn	Omaha, NE	Portland, OR	\$2,700	\$29.76	\$0.76
01/08/01	61180	Soybean	Minneapolis, MN	Portland, OR	\$2,680	\$29.54	\$0.80
01/08/01	61180	Soybean	Omaha, NE	Portland, OR	\$2,430	\$26.79	\$0.73
05/01/98	61180	Soybean	Omaha, NE	Portland, OR	\$2,780	\$25.23	\$0.83

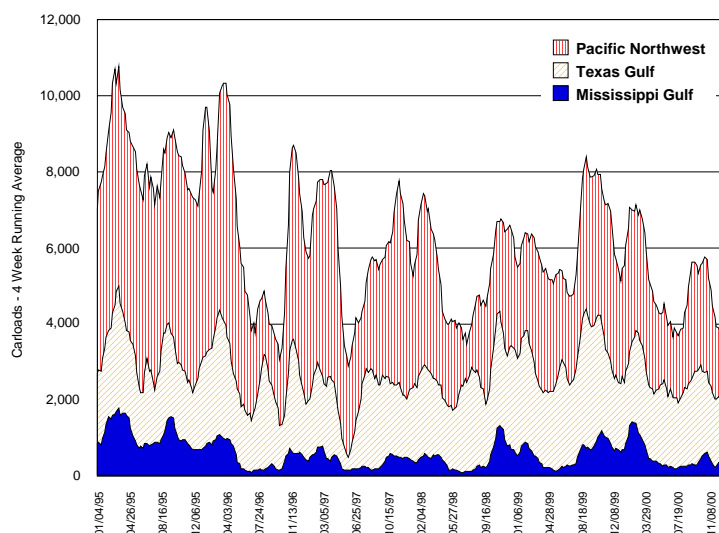
Source: www.bnsf.com

Approximate load per car = 100 tons: Corn 56 lbs/bu, Wheat &amp; Soybeans 60 lbs/bu

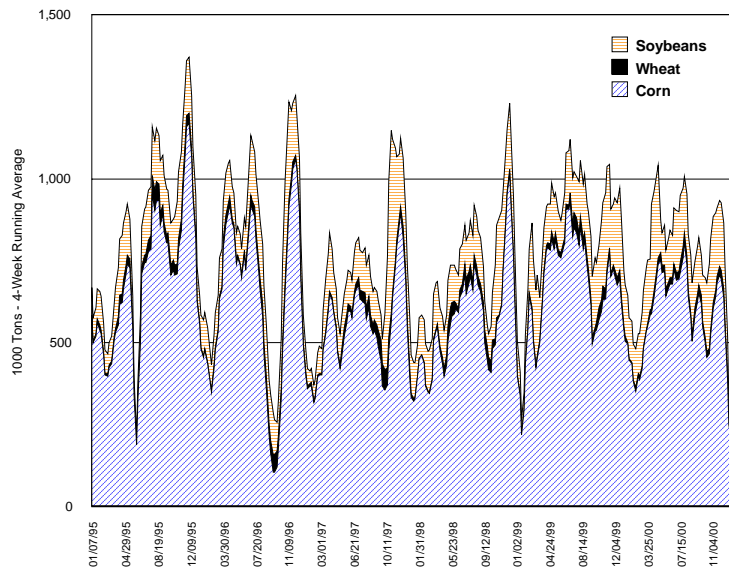
**Rail Deliveries to Port****Carloads**

	Mississippi Gulf	Texas Gulf	Pacific Northwest	Atlantic & East Gulf
Week Ending:				
12/20/00	212*	1,260	2,016	129
12/27/00	14*	1,339	1,350	131
01/03/01	108*	826	1,618	610
01/10/01	298*	1,499	2,057	455
01/17/01	658*	888	3,009	973
01/24/01	445*	1,553	2,694	831
YTD 2001	1,509*	4,766	9,378	2,869
YTD 2000	3,449	7,535	13,328	1,323
Total 1998	23,844	115,321	138,461	12,505
Total 1997	20,152	93,265	195,953	9,147

Source: Transportation &amp; Marketing/AMS/USDA

**Rail Deliveries to Port**

(\*) Incomplete Data

**Barge Movements - Locks 27****Barge Grain Movements**

for week ending 1/20/00

	Corn	Wht	Sybn	Total
	1,000 Tons			
Mississippi River				
Rock Island, IL (L15)	0	0	0	0
Winfield, MO (L25)	5	0	3	8
Alton, IL (L26)	184	0	94	279
Granite City, IL (L27)	178	0	77	255
Illinois River (L8)	197	0	121	318
Ohio (L52)	263	7	73	408
Arkansas (L1)	1	10	11	23
2001 YTD	1,052	122	341	1,659
2000 YTD	1,745	84	575	2,545
Total 2000	33,482	2,518	10,327	48,247
Total 1999	36,711	2,883	9,771	51,887

Miss YTD: Calendar year totals include Miss/27, Ohio/52 and Ark/1.

Source: U.S. Army Corp of Engineers; n/a=not available

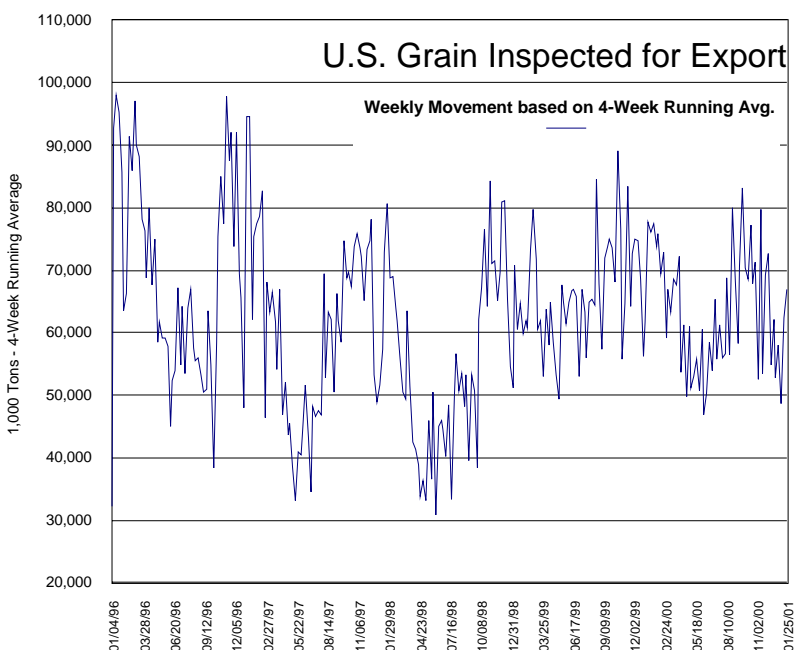
**U.S. Export Balances** (1,000 Metric Tons)

	<i>HRW</i>	<i>SRW</i>	<i>HRS</i>	<u>Wheat</u> <i>SWW</i>	<i>DUR</i>	<i>All</i>	<u>Corn</u>	<u>Soybean</u>	<u>Total</u>
<u>Unshipped Exports-Crop Year</u>									
01/18/01	1,032	485	994	1,032	138	3,680	6,654	6,583	16,917
This Week Year Ago	808	398	755	535	229	2,724	7,773	3,907	14,404
<u>Cumulative Exports-Crop Year</u>									
00/01 YTD	6,176	2,983	3,525	3,213	781	16,678	17,667	13,114	47,459
99/00 YTD	7,709	2,818	3,617	2,616	670	17,430	19,721	17,713	54,864
97/98 Total	9,858	4,710	6,305	5,413	1,232	27,518	37,220	24,516	89,254
96/97 Total	7,387	3,645	7,864	6,105	963	25,965	44,476	24,501	94,942

Source: Foreign Agricultural Service YTD-Year-to-Date ([www.fas.usda.gov](http://www.fas.usda.gov)) Crop Year:Wheat=5/31-6/01, Corn & Soybeans=9/01-8/31**Select U.S. Port Regions - Grain Inspections for Export - 1,000 Metric Tons**

	<u>Pacific Region</u>			<u>Mississippi Gulf</u>			<u>Texas Gulf</u>		
	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>
01/18/01	149	211	60	29	639	464	6	18	58
2000 YTD	320	253	76	114	1,243	704	127	18	58
1999 YTD *	446	310	93	284	1,572	1,072	219	3	51
% of Last Year	3%	6%	12%	2%	4%	5%	2%	3%	4%
1998 Total	10,838	4,373	651	5,048	31,330	14,917	7,270	562	1,392

Source: Federal Grain Inspection Service YTD-Year-to-Date

**Select Canadian Ports - Export Inspections**  
1,000 Metric Tons, Crop Year

	<u>Wheat</u>	<u>Durum</u>	<u>Barley</u>
Week Ended: 1/25/01			
Vancouver	3,078	229	603
Prince Rupert	543		0
Prairie Direct	471	175	179
Thunder Bay	649	171	36
St. Lawrence	1,480	1,104	25
2000 YTD Exports	6,221	1,679	843
1999 YTD Exports	6,462	1,748	683
% of Last Year	96%	96%	123%

Source: Canadian Grains Commission

YTD-Year-to-Date Crop Year 8/1-7/31



**Gulf Region  
Vessels Loaded  
- Past 7 Days-**

### Port Region Ocean Grain Vessels

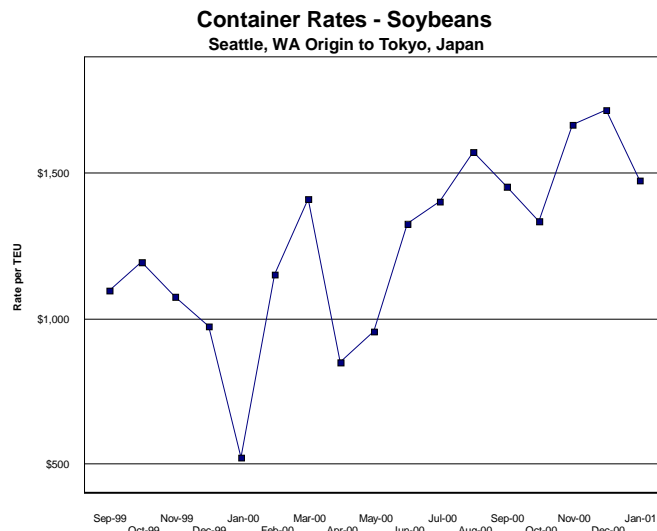
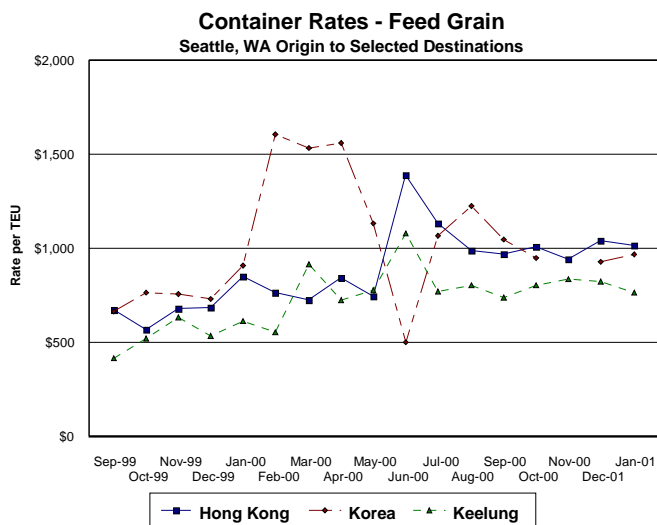
	Gulf			Pacific Northwest			Vancouver, B.C.		
	<u>In Port</u>	<u>Loaded 7-Days</u>	<u>Due Next 10-Days</u>	<u>In Port</u>	<u>Loaded 7-Days</u>	<u>Due Next 10-Days</u>	<u>In Port</u>	<u>Loaded 7-Days</u>	<u>Due Next 10-Days</u>
01/18/01	35	43	59	9			13	11	2
01/25/01	36	48	81	13			15	9	2
1999 Range	(14..47)	(39..65)	(34..80)	(6..18)			(2..20)	(2..15)	(0..9)
1998 Range	(19..62)	(34..64)	(40..93)				(1..19)	(3..14)	(0..10)
1999 Avg	32	52	65				9	9	3
1998 Avg	40	48	61				10	9	3
1997 Avg	33	45	58						

Source: Transportation & Marketing /AMS/ USDA

### Container Ocean Freight Rates

Monthly Weighted Averages Based on Shipping Line Monthly Mkt. Share

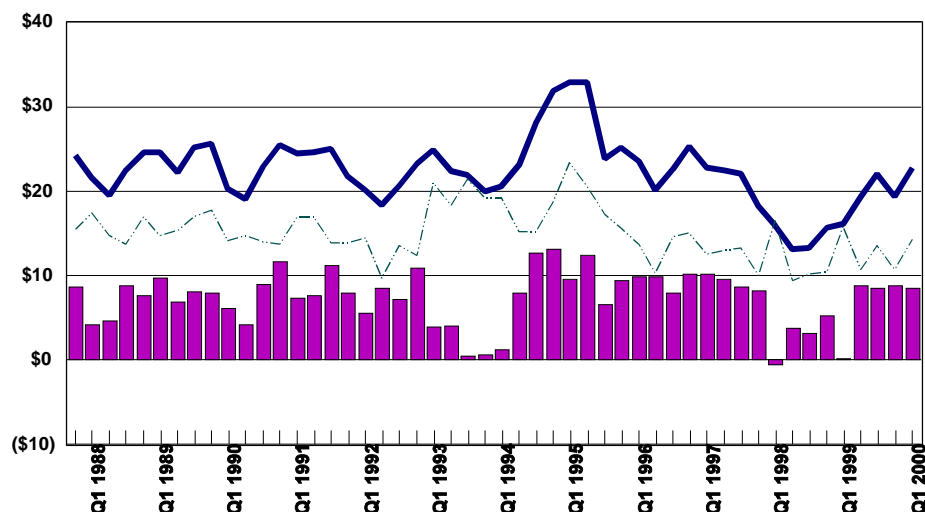
Source: Transportation & Marketing/AMS/USDA





— Rate - Gulf to Japan  
 - - - Rate - PNW to Japan  
 ■ Spread - Gulf vs. PNW to Japan

US\$/Metric Ton



Quarterly Ocean Freight Rates

### Quarterly Ocean Freight Rates

Average Rates & Percentage Changes, U.S. Dollars/Metric Ton - Basis

	2000 4 <sup>th</sup> Qtr	1999 4 <sup>th</sup> Qtr	% Change		2000 4 <sup>th</sup> Qtr	1999 4 <sup>th</sup> Qtr	% Change
<b>Gulf to</b>				<b>Pacific NW to</b>			
Japan	\$22.38	\$22.07	1%	Japan	\$15.87	\$13.55	17%
Mexico	\$13.39	\$15.21	-12%	Red Sea/ Arabian Sea	\$26.70		
Venezuela	\$13.29	\$12.10	10%				
N. Europe	\$14.96	\$13.68	9%	<b>Argentina to</b>			
N. Africa	\$22.26	\$21.65	3%	N. Europe	\$18.97	\$17.77	7%
				Japan			

Source: Transportation & Marketing/AMS/USDA; (\*) rates shown are for metric ton (2,204.62 lbs.=one metric ton)

### Ocean Freight Rates (Select Locations) - week ending 1/27/01

Export Region	Import Region	Grain	Month	Volume Loaded (Tons)	Freight Rate (\$/Ton)
Baltimore	Egypt (Med.)	Heavy Grain	Feb.5/12	55,000	\$13.20
Tampa	U.K./Europe	Grains	Jan.31/Feb.5	28,000	\$14.15
Gulf	N. France	Heavy Grain	Feb.1/5	30,000	\$13.00
Gulf	Egypt	Grains	Feb.1/15	55,000	\$14.00
Gulf	Sri Lanka	Heavy Grain	Jan.25/30	50,000	\$22.75
Gulf	Japan	Grains	Feb.9/16	45,000	\$23.50
Paranagua	Spain	Corn	Jan.25/30	29,000	\$16.50
Parana River	Yugoslavia	Corn	Prompt	25,000	\$22.00
Parana River	Pt. Sudan	Wheat	Prompt	25,000	\$30.00
Rouen (France)	Spain (Med.)	Wheat	Jan.29/Feb.5	25,000	\$10.00

Source: Maritime Research Inc.; rates shown are for long ton (2,240 lbs.=one long ton), F.O.B., except where otherwise indicated; op=option